

Our oversight of the Administration's response to the foreclosure crisis led to Treasury's adoption of the most ambitious federal program to write-down mortgage principal on home loans that are "under water."

Kucinich pressed Treasury to confront the defining characteristic of the foreclosure crisis: mortgage loans significantly exceeding the market value of the underlying houses. [\(SEE JANUARY LETTER TO TREASURY\)](#)

. After reviewing a number of private-party proposals for effecting principal write-downs on a national scale, the Subcommittee went to Treasury in February 2010 with a specific proposal to refinance existing mortgages with funds from the Federal Housing Administration and private lenders at a lower amount of principal, known as a "Short ReFi." In April, 2010, Treasury announced a \$15 billion Short Refi program of that could help as many as one million borrowers. Since 2007, the Kucinich Subcommittee held 10 hearings on the foreclosure crisis and the federal response to it. Beginning in 2008, Chairman Kucinich advocated for Principal Reductions as a necessary element in the gathering federal response to the foreclosure crisis. See, for instance,

[Kucinich Letter to Editor, New York Times \(October 26, 2008\)](#)

.